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ANNUAL REPORT 1964

CANADA
MACHINERY
CORPORATION
LIMITED

file

GALT, ONTARIO
C A N A D A



Directors

HUGO STINNES
DIETER STINNES
J. C. SCANLON
W. L. RESSEGUIER
MARCEL PICHE

Report

CORPORATION LIMITED

31, 1964.

Officers

Chairman of the Board
HUGO STINNES
President
DIETER STINNES
*Vice-President
and Secretary*
MARCEL PICHE
Treasurer
JAMES FLAVELLE
General Manager
E. L. PETER

submit the Annual Report of your Company, comprising the Balance Sheet as at January 31, 1964, and the Statement of Income and Retained Earnings for the year ended on that date as reported upon by the auditors.

In view of the fact that the net loss for the year ended on December 31, 1964, amounted to \$1,729,429 and the Working Capital was \$868,560 as at December 31, 1964, the net assets due on December 31, 1964 have been almost fully covered.

As the orders for the year ended on December 31, 1964, did not materialize, volume of business declined considerably in the year under review. Moreover, the competitive nature of business obtained affected the results of the year. Management is confident that with present orders on hand satisfactory results for the year ended on December 31, 1964, will be obtained. Further additions were made to the production equipment in the Galt and Galt Works. The Company continues its policy of maintaining its assets in excellent condition.

The Board of Directors has the opportunity to express their sincere appreciation to the employees of your Company for their efforts during the year ended on December 31, 1964.

on behalf of the Board,

DIETER STINNES, *President.*

CANADA MACHINERY CORPORATION, LIMITED

(Incorporated under the laws of Canada)

BALANCE SHEET AS AT JANUARY 31, 1964

ASSETS

Current Assets:

Cash	\$	205,836	
Accounts receivable	\$	411,465	
Less: Allowance for doubtful accounts		2,000	409,465
Inventory of raw materials and supplies at the lower of cost or market and finished goods and goods in process at factory cost			
Raw material and supplies		226,551	
Goods in process		511,400	
Finished goods		1,220	739,171
Income taxes recoverable			1,368
Prepaid expenses and accrued interest		13,071	1,368,911

Life Insurance — cash surrender value 24,515

Investments:

Shares of wholly owned subsidiary companies — at cost		87,005	
Other shares at cost		217,199	
Advances to wholly owned subsidiary companies		326,597	
Note receivable		646,831	1,277,632

Fixed Assets — at cost

Land		9,800	
Buildings, machinery, equipment, patterns, pavement and leasehold improvements		3,297,238	
		3,307,038	
Less: Accumulated depreciation		2,723,316	583,722
			\$ 3,254,780

LIABILITIES

Current Liabilities:

Accounts payable	\$	374,965	
Accrued expenses		100,548	
Amount owing to a wholly owned subsidiary company		3,005	
Amounts received from customers on uncompleted orders		21,833	500,351

Long-Term Liabilities:

First mortgage sinking fund bonds —			
Authorized — \$1,000,000			
Issued — \$700,000 Series "A", 4½% redeemable, maturing December 1, 1970 of which \$382,000 has been purchased and cancelled. Sinking fund requirements are \$45,000 annually, 1963 - 69 inclusive.....		318,000	
Second mortgage sinking fund debentures			
Authorized — \$1,000,000			
Issued — \$500,000 Series "A", 5% redeemable, maturing December 1, 1972 of which \$204,000 has been purchased and cancelled. Sinking fund requirements are \$25,000 annually, 1963 - 71 inclusive.....		296,000	614,000
			1,114,351

Shareholders' Equity:

Capital stock:			
Authorized — 150,000 shares without nominal or par value:			
Issued — 100,000 shares		411,000	
Retained earnings		1,729,429	2,140,429
			\$ 3,254,780

Approved on behalf of the Board — DIETER STINNES, Director; MARCEL PICHÉ, Director.

CANADA MACHINERY CORPORATION, LIMITED

(Incorporated under the laws of Canada)

STATEMENT OF INCOME

For the Year ended January 31, 1964

Operating Loss before the following Items		\$ 217,998
Add:		
Depreciation	\$ 111,969	
Executive remuneration and solicitor's fees	93,705	
Other directors' fees	1,700	
Interest —		
on bonds	15,638	
on debentures	15,415	
Pension fund contributions	26,488	264,915
		482,913
Income from Investments:		34,847
Operating Loss for the year		448,066
Non-Operating Revenues:		
Gain on sale of fixed assets	20,849	
Discount on bonds and debentures purchased for cancellation	2,782	
Gain on realization of investment	16,806	
Dividend — German	21,388	
	61,825	
Deduct: Foreign exchange adjustment on capital funds	6,764	55,061
Loss for the year		\$ 393,005

STATEMENT OF RETAINED EARNINGS

For the Year ended January 31, 1964

Retained Earnings at beginning of the year	\$ 2,122,252
Adjustments resulting from write-off of uncashed dividend cheques, issued prior to 1956	182
	2,122,434
Deduct:	
Loss for the year	393,005
Balance January 31, 1964	\$ 1,729,429

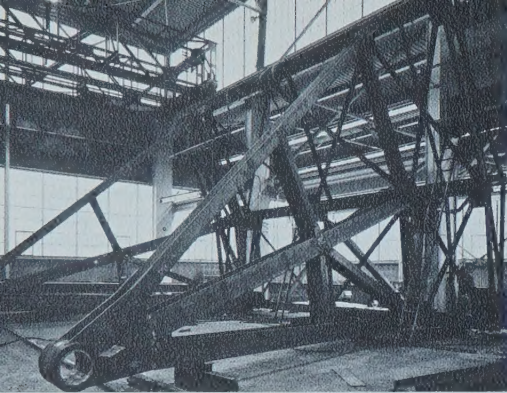
AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Canada Machinery Corporation, Limited as at January 31, 1964 and the statements of income and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

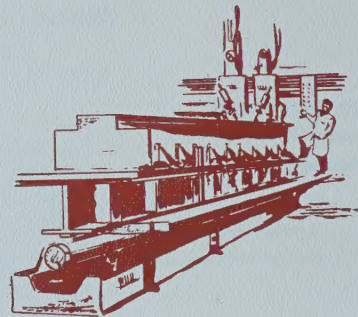
In our opinion, the accompanying balance sheet and statements of income and retained earnings are properly drawn up so as to exhibit, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, a true and correct view of the state of the affairs of the company as at January 31, 1964 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

As required under Section 118 of the Companies Act 1934 (Canada), we report that results of operations of the subsidiaries, only one of which is an operating company, have not been reflected in the income of Canada Machinery Corporation, Limited for the year. No provision has been made in this statement for the company's proportion of the deficit of the wholly owned subsidiary since acquisition of its shares, which amounted to \$102,332 as at December 31, 1963.

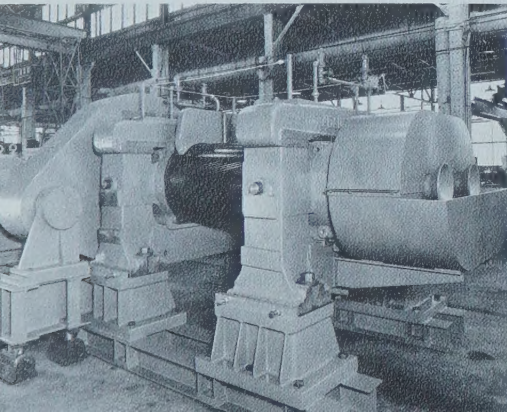
McDONALD, CURRIE & CO.
Chartered Accountants



*One of two Radial Gates, 35 ft. x 33 ft.
for Great Lakes Power Company Limited*

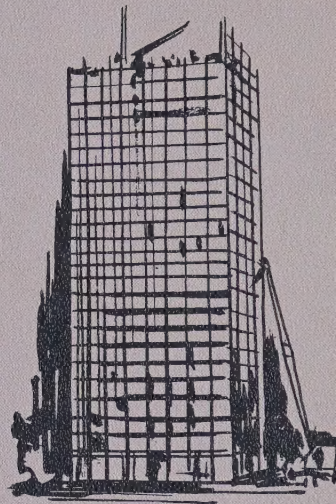
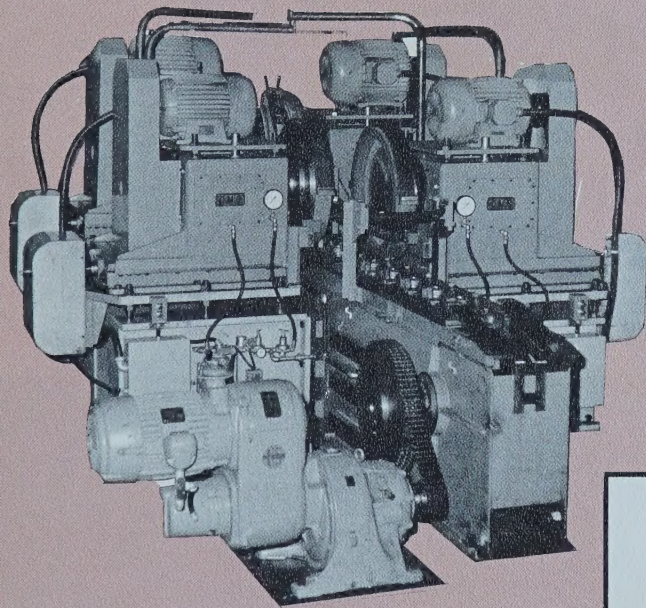


Grinder for a rubber reclaiming mill

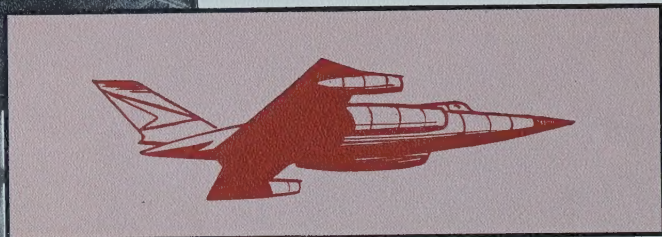
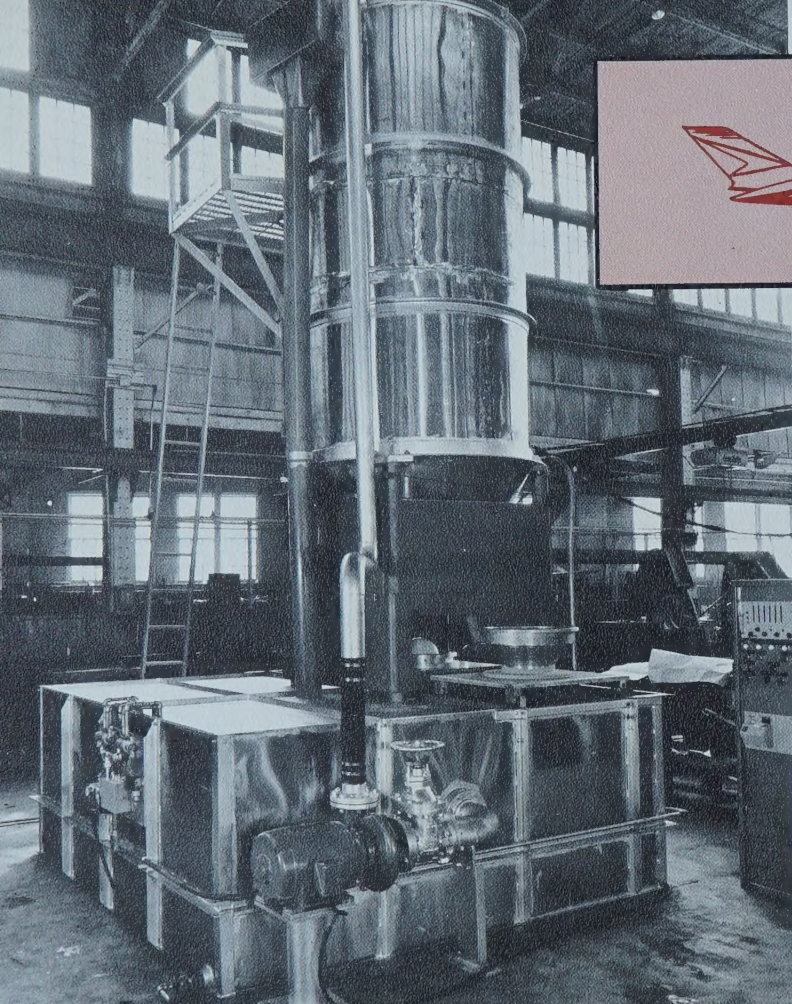


Products and Services

- Machine Tools - Rail Anchors*
- Water Control Structures*
- Steel Mill Conveying Equipment*
- Bridges - Hardboard Machines*
- Tanks and Pressure Vessels*
- Custom-built Machinery*
- Custom Machining and Fabricating*

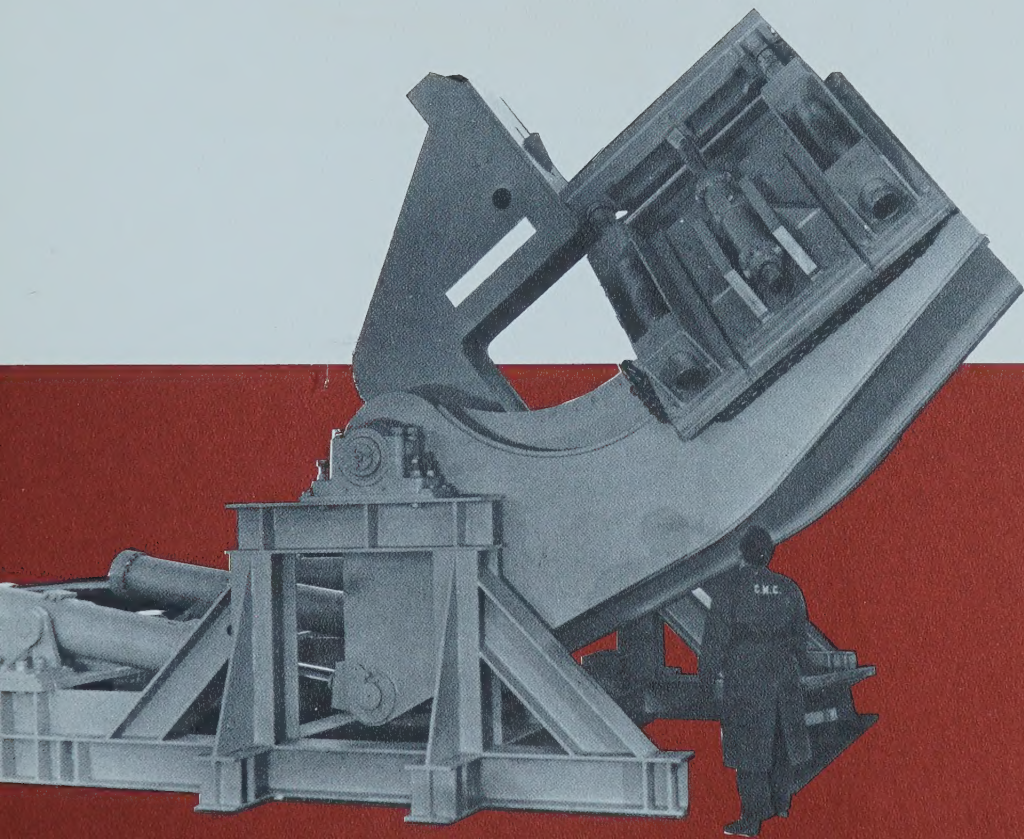


*Automatic Foundry Grinding Machine
exported to a major U.S. Automaker*



*Flow Test Fixture for precision
measuring of turbine nozzles*





*Hydraulically
operated
Upender*



A Symbol of Quality